



## **IKEA and Tejon Ranch Co. Break Ground on 1.8 Million-Square-Foot Distribution Facility at Tejon Industrial Complex**

Oct 23, 2000

Groundbreaking signifies the beginning of an economic infusion -- experts forecast 2,000 new jobs at Tejon Industrial Complex and a cumulative economic impact of more than \$800 million

TEJON RANCH, Calif.--(BUSINESS WIRE)--Oct. 23, 2000--Tejon Ranch Company (NYSE:TRC), California's largest contiguous landowner, and IKEA, the world's largest home furnishings retailer, broke ground on IKEA's 80-acre Western North American distribution facility today.

The IKEA transaction brings Phase I of the planned 350-acre Tejon Industrial Complex to 40 percent under development, joining Petro Travel Plaza as an anchor to the industrial center.

Currently undergoing significant expansion in the Western United States, IKEA's distribution location will service markets from San Diego, Calif. to Western Canada. This facility will encompass 1.8 million square feet of warehouse space and the creation of 300 new jobs in the first phase of hiring. Guinn Construction has been selected as the grading contractor -- the general contractor will be named shortly. IKEA is expected to begin operations in the new facility by summer 2001.

"Not only is Tejon Industrial Complex the most strategic location for our West Coast Distribution needs, but our co-workers will enjoy the unique lifestyle offered in the Bakersfield area and surrounding communities," said Keith Keller, IKEA President of Distribution Services.

IKEA treats every co-worker as a member of the family-owned business and selected Tejon Industrial Complex based on logistics, the large available labor pool, and lifestyle. IKEA trains each of its employees and offers good compensation and benefits packages.

IKEA's groundbreaking marks the beginning of an economic infusion that will occur over the next three to five years due to the development of Tejon Industrial Complex. As reported by Alfred Gobar Associates, an independent financial consultant, Tejon Industrial Complex is forecasted to generate approximately 2,000 new jobs and more than \$800 million in cumulative economic impact, excluding \$165 million of construction activity. To Kern County, this means nearly \$5.5 million in annual sales tax revenues and a total of 5,000 primary and secondary jobs, significantly reducing the current double-digit unemployment rate.

Tejon Ranch President and CEO, Robert A. Stine said, "Our vision is to create a properly planned development that positively contributes to economy in Kern County. By unlocking the value of the land, we can create an economic engine and employment center for our community."

The communities surrounding Tejon Industrial Complex are working to support the employment base by setting up training programs, public transportation and child care facilities.

Located just north of the Los Angeles basin at the intersection of I-5 and Highway 99, Tejon Industrial Complex is designed to be a major center for distribution, warehousing and manufacturing with direct access to Los Angeles, Northern California and the Central Valley.

### **IKEA Background Information**

A renowned international home furnishings retailer, IKEA has over 159 stores in 29 countries around the world with 15 stores in the United States and 7 in Canada. The Company was founded in 1943 in Sweden where its headquarters remain.

### **Tejon Ranch Company Background Information**

Tejon Ranch Company is a diversified real estate development and agribusiness company owning 270,000 acres of land located in Los Angeles and Kern Counties. The Company is in the process of developing its land holdings along transportation corridors into master-planned business and residential communities.

This release includes forward-looking statements that are subject to many uncertainties and may turn out not to be accurate. These forward-looking statements are subject to factors beyond the control of Tejon Ranch Company, including market forces and the ability to obtain government permits. No assurance can be given that actual future events will be consistent with such forward-looking statements.

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